



CERTIFIED ACCOUNTING TECHNICIAN (CAT)

STAGE 2 EXAMINATION

S2.1 PREPARATION OF BASIC ACCOUNTS

DATE: WEDNESDAY 23, AUGUST 2023

MARKING GUIDE AND MODEL ANSWERS

Marking Guide

Question number	Correct Answer	Marks	Question number	Correct Answer	Marks
1	A	2	26	C	2
2	C	2	27	C	2
3	D	2	28	D	2
4	B	2	29	A	2
5	A	2	30	B	2
6	C	2	31	C	2
7	D	2	32	A	2
8	B	2	33	A	2
9	C	2	34	C	2
10	B	2	35	A	2
11	B	2	36	C	2
12	C	2	37	D	2
13	C	2	38	D	2
14	A	2	39	C	2
15	D	2	40	B	2
16	B	2	41	A	2
17	B	2	42	A	2
18	C	2	43	D	2
19	D	2	44	D	2
20	A	2	45	A	2
21	C	2	46	D	2
22	A	2	47	D	2
23	D	2	48	B	2
24	D	2	49	B	2
25	A	2	50	B	2

Model Answers

QUESTION ONE

The correct answer is A.

Accruals concept states that revenues and expenses should be matched in the same period. It provides that the accounting transactions should be recognized when occurred irrespective of whether cash is paid or received,

B is not correct because going concern provides that the business is expected to stay in the business for the foreseeable future and there is no intention to liquidate it or stopping its transactions.

C is not correct because the prudence concept stipulates that there should be caution while making judgements. Assets and incomes should not be overstated while expenses and liabilities should not be understated.

D is not correct because consistency concept requires that similar items should be treated in the same ways.

QUESTION TWO

The correct answer is C.

Prudence concept provides that there should be caution while making judgements. Assets and incomes should not be overstated while expenses and liabilities should not be understated. Thus, Inventory should be recognized at the lower of its cost and the net realizable. This is done to ensure that the profit on inventory is only accounted for goods sold.

A is not correct because accruals concept states that revenues and expenses should be matched in the same period. It provides that the accounting transactions should be recognized when occurred irrespective of whether cash is paid or received,

B is not correct because going concern provides that the business is expected to stay in the business for the foreseeable future and there is no intention to liquidate it or stopping its transactions.

D is not correct because consistency concept requires that similar items should be treated in the same ways.

QUESTION THREE

The correct answer is D.

Statements (ii) and (iii) are correct. Materiality assessment involves a lot of professional judgement. Further, Materiality needs to assessed because much attention to details might obscure the broader picture of the business entity and the accountants may be spending more time on immaterial transactions.

A is not correct because Materiality is not the same as prudence concept. Materiality concepts states that only material items should appear in the financial statements. It also clarifies that material items are items who omission or misstatement can influence the decision-making process. On the other side Prudence concept stipulates that there should be caution while making judgements. Assets and incomes should not be overstated while expenses and liabilities should not be understated

B alone is not correct because it excludes statement (iii) which is correct.

C is not correct because it includes statement (iv) which is not correct. Consistency requires to use same methods and principles from one period to another.

QUESTION FOUR

The correct answer is B. Relevance stipulates that accounting information must be relevant and this means that are capable of making difference in decision making.

A is not correct because this is the faithful representation characteristic.

C is not correct because the comparison in time and space reflects the comparability characteristics

D is not correct because this reflects the understandability characteristics.

QUESTION FIVE

The correct answer is A.

Timeless and relevance are the correct characteristics described in the scenario. The provision of the report before the due date is timeliness and the fact that the information provided helped to make informed decisions is relevance.

B is not correct because, it combines relevance (which is true) and understandability (which is not true). This characteristic provides that the information must be understandable by users who have reasonable knowledge about business and accounting activities.

C is not correct because, it combines timeliness (which is true) and understandability (which is not true).

D is not correct because Comparability provides that the information might help the comparison in time and space and verifiability is the quality of information which provides that the information must be independently verified. Number of users with the same information would verify them and get same results

QUESTION SIX

The correct answer is C.

Assets=FRW 10,000,000 + FRW 5,000,000 + FRW 6,000,000 = FRW 21,000,000

Capital=Assets-Liabilities = FRW 21,000,000 - FRW2,000,000=FRW 19,000,000

Liabilities=FRW 2,000,000

A is not correct because it considers the overdrawn bank account as an asset yet it is a liability:

FRW 10,000,000 + FRW 5,000,000 + FRW 6,000,000 + FRW2,000,000=FRW 23,000,000

B is not correct because FRW 21,000,000 is not capital. It is total assets. The option violates also the concept which stipulates that Assets=Capital+ Liabilities

D is not correct because it violates the concept which stipulates that Assets=Capital+ Liabilities

QUESTION SEVEN

The correct answer is D. As explained below:

A	Closing capital	-Opening capital	-additional capital	+Drawings	Profit/loss	The formula is wrong
	30,000,000	25,000,000	3,000,000	300,000	57,700,000	
B	Closing capital	-Opening capital	-additional capital	+Drawings	Profit/loss	The formula is wrong
	30,000,000	25,000,000	3,000,000	300,000	57,700,000	
C	Closing capital-	Opening capital-	additional capital-	Drawings=	Profit/loss	The formula is correct but it is a profit not a loss
	30,000,000	25,000,000	3,000,000	3,600,000	5,600,000	
D	Closing capital-	Opening capital-	additional capital-	Drawings=	Profit/loss	CORRECT
	30,000,000	25,000,000	3,000,000	3,600,000	5,600,000	

QUESTION EIGHT

The correct answer is B.

If a company buys a motor vehicle for cash there will be an increase in non-current asset (Motor vehicle) and a decrease in current asset (Cash)

A is not correct because it says that if a company buys a motor vehicle for cash, there will be an increase in asset and **decrease in liability. There is no decrease in liability**

C is not correct because when a company sold goods on credit, there will be **decrease in current asset (Inventory) and increase in current liability (Creditors)**

D is not correct because when a company sold goods on credit, there will be a **decrease in asset (Inventory) and increase in current liability (Creditors)**

QUESTION NINE

The correct answer is C.

Cashbook is used to record receipts of cash including notes, coins, cheques, bank transfers and till receipts

A is not correct because cash payments daybook is used to record all forms of bank payments including standing orders, bank charges, bank transfers, but it does not record any receipt. All receipts are recorded in the Cash received daybook

B is not correct because petty cashbook records only petty cash transactions following the imprest system

D is not correct because the Debit side of the cash book records cash transactions related to the receipts (NOT payments) including cash in hand and cash at bank

QUESTION 10

The correct answer is B.

Dr. Return in wards: FRW 45,000; Cr. Receivables: FRW 45,000

This is because the transaction for the return constitutes a decrease in sales and decrease in amount due from debtors

A is not correct because it considers this as the decrease in cash yet there was no cash involved

C is not correct because it increases receivables and decreases sales revenue, which is wrong

D is not correct because it considers the net sales of FRW 405,000 instead of sales returns

QUESTION 11

The correct answer is B.

Purchases invoices are recorded in the purchase daybook.

A is not correct because cheques paid to a supplier are recorded in the cash payments day book.

C is not correct because trade discounts are not recorded in the books of accounts, rather the supplier will deduct them before raising the invoice.

D is not correct because carriage inwards are recorded in the cashbook once paid not in purchase daybook.

QUESTION 12

The correct answer is C.

The depreciation is calculated as follows:

Depreciation expense = $(12,000,000 + 5,000,000) * 20\% = 3,400,000$

A is not correct because it does not consider the value of new machine acquired $(12,000,000 * 20\%) = 2,400,000$

B is not correct because it deducts accumulated depreciation. This would be deducted only under reducing balance method. $((12,000,000 + 5,000,000) - 250,000) * 20\% = 3,350,000$

D is not correct because it deducts accumulated depreciation. This would be deducted only under reducing balance method. Furthermore, it does not consider the new machine acquired $(12,000,000 - 250,000) * 20\% = 2,350,000$

QUESTION 13

The correct answer is C.

Dr. Depreciation Expense: FRW 2,500,000; Cr. Accumulated Depreciation: FRW 2,500,000

A is not correct because it credits machinery which is an asset. The depreciation expense for the year is credited in accumulated depreciation, which reflects the decrease in asset

B is not correct because it debits the accumulated depreciation, yet this account is for depreciation of disposed asset

QUESTION 14

The correct answer is A.

According to IAS16 (Para.6), residual value is defined as the estimated amount that an entity would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal.

B is not correct because depreciable amount is the total amount to be charged over the life of a no-current asset. It is usually the cost of asset less any expected residual sales value or disposal value

C is not correct because the book value/carrying amount is the cost of the asset less its accumulated depreciation as at a given date.

D is not correct because trade in value is the value at which old assets/existing asset is exchanged against new asset

QUESTION 15

The correct answer is D.

The accrued rent is calculated as follows:

Total annual rent payable= FRW 600,000*12=FRW 7,200,000

Actual rent paid: = FRW 2,400,000+ FRW 1,800,000+ FRW 2,000,000= FRW 6,200,000

Accrual = FRW 7,200,000-6,200,000 = FRW 1,000,000

A is not correct because FRW 6,200,000 is the actual amount of rent paid

B is not correct because FRW 7,200,000 is total amount of rent payable

C is not correct because FRW1,800,000 is the rent payable for the last quarter. However, take note that on quarter 1 there was a prepayment of FRW 600,000 and another prepayment on quarter 3 of FRW 200,000.

QUESTION 16

The correct answer is B.

Unpaid expense is debited in the expense account and credit in the liability account.

A is wrong because it involves double counting

C is wrong because rent not paid represent liability not asset

D is not correct because unpaid expense is posted in the liability account

QUESTION 17

The correct answer is B.

(ii) and (i) are the correct answers.

Irrecoverable debt is a specific debt, which is not expected to be paid.

If an irrecoverable debt is unexpectedly paid after it has been written off but before the end of the period in which it was written off, it is debited in receivables control account and credited in irrecoverable debts expense and then record the receipt in the normal way

A is not correct because it excludes “ii” which is also a correct statement

C is not the correct answer because it includes option “iii” which propose wrong entry

D is also wrong because option “iv” is wrong. It reverses the correct entry.

QUESTION 18

The correct answer is C

Allowance for the year ended 31 December 2021 will be calculated taking into consideration the allowance made in the previous year $(40,000,000 \times 5\%) - (28,000,000 \times 1\%) = \text{FRW } 2,000,000 - \text{FRW } 280,000 = \text{FRW } 1,720,000$

A is not correct because FRW 280,000 is the allowance for the year ended 31 December 2020

B is not correct because it does not take into consideration the allowance for receivables brought forward from the previous period $= \text{FRW } 40,000,000 \times 5\% = \text{FRW } 2,000,000$

D is not correct because it adds the allowance for the subsequent years $(40,000,000 \times 5\%) - (28,000,000 \times 1\%) = \text{FRW } 2,000,000 + \text{FRW } 280,000 = \text{FRW } 2,280,000$

QUESTION 19

The correct answer is D

$(40,000,000 - 40,000,000 \times 5\%) = \text{FRW } 38,000,000$

A is not correct because it only considers net change in the allowance between 2020 and 2021, yet it should consider the total allowance required at the end of the year 31 December 2021 $(40,000,000 - 1,720,000) = \text{FRW } 38,280,000$

B is not correct because it considers the deduction of the allowances for both subsequent years $40,000,000 - 280,000 - 2,000,000 = \text{FRW } 37,720,000$

C is not correct because it only considers the allowance for the year 31 December 2020 instead of 2021 $= (40,000,000 - (28,000,000 \times 1\%)) = \text{FRW } 39,720,000$

QUESTION 20

The correct answer is A.

At the end of accounting period, if the total debits exceed the total credits of an account, there is debit balance, which is recorded on the credit side to balance the ledger account and taken to the debit side of the trial balance

B is not correct because in case Dr. exceeds Cr. There is a debit balance (Not a credit balance)

C is not correct because the credit balance will be recorded in the credit side of the trial balance

D is not correct because if Dr. equals Cr., the account is closed off and it not taken in the trial balance.

QUESTION 21

The correct answer is C.

Error of complete omission and transposition errors will not be revealed by the trial balance. For error of complete omission, neither a debit nor a credit is made and the books will still balance.

For example: If we sold goods worth FRW100,000 to BIG MAN and omitted to record the transaction in the books, the trial balance will still balance. This is so because the credit and debit balances are understated by FRW100,000.

Transposition errors occurs where the amount is posted to the correct account following double entry but the amount posted is not correct. For example, FRW 143,000 is recorded as FRW134,000. This will likely occur when the error occurs in books of original entry.

A and B are not correct because these errors will affect the trial balance.

D is not correct because A&B are not correct answers

QUESTION 22

The correct answer is A.

The error would be corrected by debiting sales by FRW 2,000 and crediting suspense account.

Therefore, credit side of trial balance become high than debit side by FRW 7,000

B is not correct because after correction, the credit side will be less than debit side by FRW 7,000

C is not correct because it considers only the prior difference and ignores the new overcasting

D is not correct because the difference is calculated wrongly by considering over-casting as decrease in sales

QUESTION 23

The correct answer is D.

That Journal entry records cash received from Jessica which results into increase in cash and decrease in receivable

A is not correct because if it was cash sales to Jessica, it would Dr. Cash and Cr. Sales

B is not correct because if it was cash purchase from Jessica, the entry would be: Dr. Purchase and Cr. Jessica a/c

C is not correct because payment will reduce cash and then the entry will be Dr. Jessica, Cr. Cash.

QUESTION 24

The correct answer is D.

All the options are correct

A When errors are identified, next step is to pass adjustment to correct those errors

B Omitted transactions are adjusted before preparing reports

C Allowance for doubtful debt should be adjusted before finalizing reports for that period

QUESTION 25

The correct answer is A.

Dr. Advertising expenses: FRW 540,000 (as expense); Cr. Liability: FWR 540,000.

B is not correct because bank could not be credited yet no payment made

C is not correct because this account is a reverse of correct entry

D is not correct because an adjustment is required

QUESTION 26

The correct answer is C.

Because the adjustment needed is the increase in allowance for 40,000

A is not correct because it adds up the opening balance with the closing balance though the double entry is correct

B is not correct because the double entry is wrong and it considers the sum of opening balance and the closing balance

D is not correct because increase in doubtful debt is an expense and should not be credit

QUESTION 27

The correct answer is C and other options are not correct as calculated below:

Length of outstanding debt	Balance as at 30 June 2021 FRW 000	Allowance required FRW 000	Allowance FRW 000	Answers
Less than 60 days	70,866,000	None	0	
Between 60-90 days	25,250,000	10%	2,525,000	Option A (Wrong)
Above 90 days	10,808,000	50%	5,404,000	Option B (Wrong)
Total	106,924,000	60%	7,929,000	Option C (Correct)
	(25,250,000+10,808,000) *60%		21,634,800	Option D (Wrong)

QUESTION 28

The correct answer is D

Since there is an opening balance of FRW8,000,000, and the required allowance as at 30 June 2021 was FRW 7,929,000. Then there is a decrease in allowance for receivables of FRW 71,000 which will be captured in other incomes

A is not correct because it considers provision for doubtful debt as at year end instead of considering changes in allowance

B is not correct because change in allowance was computed based on wrong figure FRW 21,634,800 – 8,000,000

C is not correct because it recognizes an increase of FRW 71,000 instead of a decrease yet the required allowance is less than the opening balance

QUESTION 29

The correct answer is A as calculated below:

	A FRW	B FRW	C FRW	D FRW
Prepayment 2020 (Prepaid b/f) rent	10,000	10,000	10,000	(10,000)
Accrual 2020(accrued b/f) rate	(5,000)	5,000	(5,000)	(5,000)
Payment rent 2021	78,000	78,000	78,000	78,000
Payment rates 2021	50,000	50,000	50,000	50,000
Accrual 2021 (accrued c/f)	20,000	(20,000)	(20,000)	20,000
Prepayment 2021(prepaid c/f)	(12,000)	(12,000)	12,000	12,000
	141,000	111,000	125,000	145,000

B is not correct accrued c/d was deducted and accrued b/d added.

C is not correct since it adds all prepayments and deducts all accruals.

D is not correct since prepaid b/f was deducted instead of adding it, while prepaid c/f was added yet it should not

QUESTION 30

The correct answer is B

A is not correct because accrued expense is an expense due but not yet paid. Thus, it is a current liability, accrued income is an income earned but not yet received. Thus, it is a current asset

C is not correct because accrued income is an income earned but not yet received. Thus, it is a current asset NOT A liability

D is not correct because accruals are recognized in the statement of financial position as explained in the above options

QUESTION 31

The correct answer is C

During the appropriation of partnership profit, interest on drawings charged to partner is debited to partner's current account and added back to the profit available for appropriation

A is not correct because the interest are charges to currents accounts not as additions and they should be deducted from his current account

B interest on drawing should be debited in current account

QUESTION 32

The correct answer is A.

Profit=Sales*Margin

Margin=Markup/100-Markup

Margin=25/100+25=25/125=20%

Gros profit = 5,000,000*20/100=FRW1,000,000

B is not correct because the profit was calculated using markup. Yet markup is a percentage of cost, FRW 5,000,000*25%

C is not correct because it calculates the cost of sales, FRW 5,000,000*80%

QUESTION 33

The correct answer is A

	FRW
Opening carrying amount at 1 January 2021	200,000,000
Less: Carrying amount of disposed asset (25,000,000+5,000,000)	(30,000,000)
Less: depreciation for the year	(20,000,000)
Carrying amount of non-current assets at 31 December 2021	150,000,000

B is not correct because it has considered the proceeds from disposal as the carrying amount of disposed asset (200,000,000-25,000,000-20,000,000) =155,000,000

C is not correct because it has deducted loss from proceeds to get carrying amount of disposed assets (200,000,000-20,000,000-20,000,000) =160,000,000

D is not correct because it did not take into consideration the carrying amount of disposed asset (200,000,000-20,000,000=180,000,000

QUESTION 34

The correct answer is C as calculated below:

ITEMS	FRW	
Sales Revenues	5,400,000	
Cost of sales	2,826,000	
Gross Profit	2,574,000	Option A (Wrong)
Other incomes		
Commission income	180,000	
Rent income	126,000	
Total incomes	2,880,000	Option B (Wrong)
Salaries and wages	792,000	
Bank loan interest	43,000	
Electricity and water	144,000	
Insurance	810,000	
Total expenses	1,789,000	
Net profit	1,091,000	Option C correct

D is not correct because there is a correct answer, which is C

QUESTION 35

The correct answer is A:

Items	FRW
Motor vehicle-Carrying amount	2,340,000
Inventory at 31 Dec 2021	846,000
Bank	90,000
Cash	18,000
Accounts receivable	456,000
Allowance for receivables	(24,000)
Total assets	3,726,000

B does not deduct the allowance for receivables yet it is a decrease accounts receivable
 $(2,340,000+846,000+90,000+18,000+456,000) = 3,750,000$

C adds up the allowance for receivables yet it is a decrease in accounts receivables
 $= 2,340,000+846,000+90,000+18,000+456,000+24,000 = 3,774,000$

D is not correct because the information provided is enough to calculate total assets

QUESTION 36

The correct answer is C

A Allowance for receivable decrease assets so, it should not be added

B Allowance for doubtful debt does not represent any obligation to the company

QUESTION 37

The correct answer is D.

All answers are correct. Thus, A, B, C alone are partial answers and thus not complete.

QUESTION 38

The correct answer is D.

This loan is due on 31 December 2023. No part of the loan is repayable within the current year or even a period of 12 months, so the whole amount is classified as non-current liability

A is not correct because it considers the loan to be repaid in the next 12 months/year and recognizes it a current liability

B is not correct because it considers the first instalment of FRW 5, 000,000 (15,000,000/2) to be repayable in the current year and the outstanding balance of FRW 10,000,000 as non-current liability. This is wrong because the first instalment is only due in 2023

C is not correct because FRW 10,000,000 are not due within 12 months

QUESTION 39

The correct answer is C.

Opening Inventory is not recorded in the trial balance at the end of the year. Closing inventory is recorded on the debit side as a current asset, drawings are recording in trial balance on the debit side as decrease in capital and rent expense is recorded on the debit side as an expense

QUESTION 40

The correct answer is B

Depreciation for the year = (16,000,000/4) *9/12=3,000,000 because the asset was used by the business only for 9 months instead of the full year

A is not correct because depreciation computed was for 12 months, instead of proportioning it for 9 months

C is not correct because it uses the wrong double entry and wrong amount, FRW 16,000,000/4

D is not correct because the double entry is not correct (the entries are reversed)

QUESTION 41

The correct answer is A.

The profit or loss on disposal is the difference between the sale price of the asset and the carrying amount of the asset at the time of sale

B is not correct because profit is made when the sale price exceeds the carrying amount

C is not correct because loss is made when the carrying amount exceeds the sale price

QUESTION 42

The correct answer is A as calculated below:

Cost	Depreciation for the year	Acc. Depr.	Carrying Amount
28,000,000	5,600,000	5,600,000	22,400,000
22,400,000	4,480,000	10,080,000	17,920,000
17,920,000	3,584,000	13,664,000	14,336,000

Loss on Disposal= Sales-Carrying amount=10,000,000-14,336,000= 4,336,000 loss

Option B is not correct since it uses straight line Method. FRW 10,000,000-((28,000,000-(28,000,000*20%*3)) =6,800,000

Option C is not correct, it uses the reducing balance method but it reports as the profit yet the sales proceed is less than the carrying amount. Option D is also not correct as it uses straight line method and reports a profit on disposal

QUESTION 43

The correct answer is D. Other options are not correct since the non-current asset register is not part of double entry system.

QUESTION 44

The correct answer is D.

Recoverable VAT represent amount due from tax authorities

A is wrong because, recoverable VAT do not represent amount owed to the government

B Recoverable VAT is not income

C only unrecoverable VAT are capitalized

QUESTION 45

The correct answer is A as calculated below:

	FRW
Sales VAT output (Collected) = (5,000,000*18/118)	762,712
Purchase VAT input (paid) = (3,200,000*18/100)	(576,000)
Net VAT Payable	186,712

B is not correct because it refers to VAT as refund yet output VAT exceeds the input VAT which results into a VAT Payable

C is not correct because the VAT output was wrongly calculated

$(5,000,000 * 18\%) - (3,200,00 * 18\%) = \text{FRW } 324,000$

D is not correct because the VAT output was wrongly calculated and wrongly interpreted

$(5,000,000 * 18\%) - (3,200,00 * 18\%) = \text{FRW } 324,000$

Note: When a price is quoted exclusive: $\text{VAT} = \text{Price} * 18\%$

When a price is quoted inclusive: $\text{VAT} = \text{Price} * 18/118$

QUESTION 46

The correct answer is D as calculated below:

	A (Wrong)	B (Wrong)	C (Wrong)	D (Correct)
	FRW	FRW	FRW	FRW
Purchase	1,770,000	1,770,000	1,770,000	1,770,000
Credit note	(354,000)	(354*100/118)	(236,000*100/118)	(236,000)
Amount to appear on cheque	1,416,000	1,470,000	1,570,000	1,534,000

A is not correct because debit note is a request for a credit note, it should not be deducted while processing payment

B is not correct because VAT on debit note has no impact on payment as the initial subject matter i.e debit note is not even considered while processing payment

C is not correct because amount on credit note which is deducted while preparing payment must be inclusive of VAT

QUESTION 47

The correct answer is D.

All the statements are true

Zero rated supplies are taxed at 0%

B VAT are not imposed on goods and services related to health, precious metals and education materials

C all standard goods pay VAT

QUESTION 48

The correct answer is B.

15 November 2021 Article 25 of the VAT law states that the VAT shall be declared Within fifteen (15) days after the end of the period of the value added tax.

All other options are not correct

QUESTION 49

The correct answer is B

VAT is calculated only on standard rated supplies (70%) taxed at 18%

Then VAT Output = $(317,000,000 * 70%) * 18/118 = \text{FRW} 33,849,153$

A is not correct as it calculates VAT as if the sale price was VAT exclusive=

Then VAT Output= $(317,000,000 * 70%) * 18\% = \text{FRW} 39,942,000$

C VAT calculated without considering 30% of zero-rated goods, $\text{FRW} 317,000,000 * 18/118$

D are not correct as they calculate VAT basing on the 100% of supplies without taking into account the zero-rated goods. The figure is calculated as follows: $\text{FRW} 317,000,000 * 70 * 18\%$ while for D, $\text{FRW} 317,000,000 * 18\%$

QUESTION 50

The correct answer is B.

An administrative fine of FRW500,000 is charged for non-registration of VAT.

A is not correct because FRW 200,000 is charged to tax payer who does not have EBM but he/she is required to have it

C is wrong answer because FRW 300,000 Is charged for late declaration of VAT for tax payer whose annual turnover above FRW 20 million

D is not correct because FRW 100,000 is charged for late declaration of VAT for tax payer whose annual turnover below FRW 20 million

END OF MARKING GUIDE AND MODEL ANSWERS